

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
: **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., :
: **Case No. 18-23538 (RDD)**
: **(Jointly Administered)**
Debtors.¹ :
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**AFFIDAVIT AND DISCLOSURE STATEMENT OF
KAREN H. BAUERNSCHMIDT, ESQ.,
ON BEHALF OF VORYS, SATER, SEYMOUR AND PEASE LLP**

STATE OF OHIO)
) s.s.:
COUNTY OF CUYAHOGA)

Karen H. Bauernschmidt, Esq., being duly sworn, upon her oath, deposes and says as follows:

1. I am an attorney with Vorys, Sater, Seymour and Pease LLP (the “**Firm**”),
in the Firm’s Cleveland office located at 200 Public Square, Suite 1400, Cleveland, Ohio 44114.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services (the “**Services**”).

3. The Services include, but are not limited to, representation of the Debtors with respect to their real property tax challenges.

4. The Firm currently represents several entities that are parties in interest in these chapter 11 cases on matters that are unrelated to the services that the Firm has provided and continues to provide to the Debtors. In each instance, the Firm has (i) advised the Debtors of the representation, and (ii) advised the party in interest of the Firm’s ongoing relationship with the Debtors. In each instance, all parties have consented to the representation and waived any perceived conflict in connection therewith. The Firm thus believes that its representation of these parties in interest is not adverse to the Debtors or their estates with respect to the matters on which the Firm is to be employed.

5. The Firm also may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases.

6. The Firm does not have any relationship with any such person, such person’s attorneys, or such person’s accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

7. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than principals and regular employees of the Firm.

8. Neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

9. As of the commencement of this chapter 11 case, the Debtors owed the Firm \$21,703.87 with respect to prepetition services rendered by the Firm to the Debtors.

10. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of this inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit and Disclosure Statement was executed on July 1st, 2019, at Cleveland, Ohio.


Karen H. Bauernschmidt, Esq.

SWORN TO AND SUBSCRIBED before
Me this 1st day of July, 2019


Notary Public



DREW T. PAROBK,
NOTARY PUBLIC • STATE OF OHIO
My commission has no expiration date
Section. 147.03 O.R.C.

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AMENDED RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”).

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional: Vorys, Sater, Seymour and Pease LLP (the “Firm”), 200 Public Square, Suite 1400, Cleveland, Ohio 44114.
2. Date of retention: Various dates since 2017.
3. Type of services to be provided: Legal Services.
4. Brief description of services to be provided: The Firm has previously provided, and seeks to continue to provide, legal services to the Debtors with respect to real property tax challenges.

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5. Arrangements for compensation (hourly, contingent, etc.): The Firm bills Sears for services rendered on an hourly basis.
 - (a) Average hourly rate (if applicable): \$285.00.
 - (b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition): \$10,000.00.
6. Prepetition claims against the Debtors held by the company:
 - (a) Amount of claim: \$21,703.87
 - (b) Date claim arose: Various dates since 2017.
 - (c) Nature of claim: Legal Services.
7. Prepetition claims against the Debtors held individually by any member, associate, or employee of the company: None.
8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the professional is to be employed: None.
9. Name and title of individual completing this form: Karen H. Bauernschmidt, Esq., Of Counsel.

Dated: July 1, 2019